

Background on Proposed Cabrillo Port Liquefied Natural Gas Facility

BHP Billiton, International (BHPB) has proposed to construct a new liquefied natural gas (LNG) deepwater port approximately 14 miles offshore of Ventura County, California (see Figure 1). The proposed deepwater port, "Cabrillo Port," would consist primarily of a floating storage and re-gasification unit (FSRU) connected to two pipelines laid on the ocean floor. The pipelines would reach land at a station in Oxnard, California. The project is subject to the Deepwater Port Act, and must comply with all applicable environmental laws such as the Clean Air Act (CAA). As a result, BHPB must obtain permits from EPA prior to construction.

The Department of Transportation (DOT) is responsible for issuing licenses to deepwater ports. DOT has delegated its licensing authority to the Maritime Administration (MARAD) and U.S. Coast Guard (USCG). USCG, MARAD, and the California State Lands Commission, the lead state agency, are preparing a joint Environmental Impact Statement/Environmental Impact Report to satisfy requirements of both the National Environmental Protection Act and California Environmental Quality Act.

Figure 1: Proposed location of the FSRU



EPA's Permitting Responsibilities Under the Deepwater Port Act

EPA is the environmental permitting authority under the Deepwater Port Act for both air and water permits. Opportunities for public participation in the air permitting process are discussed below.

Public Participation in EPA's Clean Air Act Permitting Process

Prior to constructing new sources of air pollution, the Clean Air Act requires the owners or operators of those sources to obtain air quality permits. In December 2003, BHPB submitted an application for an air permit to construct Cabrillo Port. Subsequent to the initial submittal, the permit application was revised and resubmitted in December 2005. EPA has prepared a draft permit that contains conditions for controlling air emissions from the proposed FSRU. The draft permit is available for public comment until July 3, 2006.

Anyone may provide EPA with comments on the draft permit during the public comment period. Typically, public comment on a pre-construction permit is 30 days, but due to wide public interest in the BHPB permit, EPA decided to extend the public comment period. Written comments may be submitted at the public hearing or at any time during the public comment period by mail or e-mail. Verbal comments will be accepted only at the public hearing.

All permit documents, supporting documentation, and comments received from the public during the public comment period become part of the administrative record. Many documents in the administrative record, including the application, draft permit, and statement of basis are available online. The materials may also be viewed at the locations listed at the end of this fact sheet.

After the public comment period has ended, EPA will carefully consider all comments that were submitted and make a final decision on the permit.

When a final decision is made, EPA will also provide responses to all of the comments received. See Figure 2 for a summary of the air permitting process for Cabrillo Port.

Cabrillo Port CAA Permit Activity Schedule

EPA proposed the draft air permit on May 4, 2006 and a public hearing on the permit has been scheduled for June 5, 2006 at the Oxnard Performing Arts & Convention Center in Oxnard, CA. EPA anticipates making a final decision on issuance of the air permit in late summer 2006.

EPA Contact Information

EPA R9

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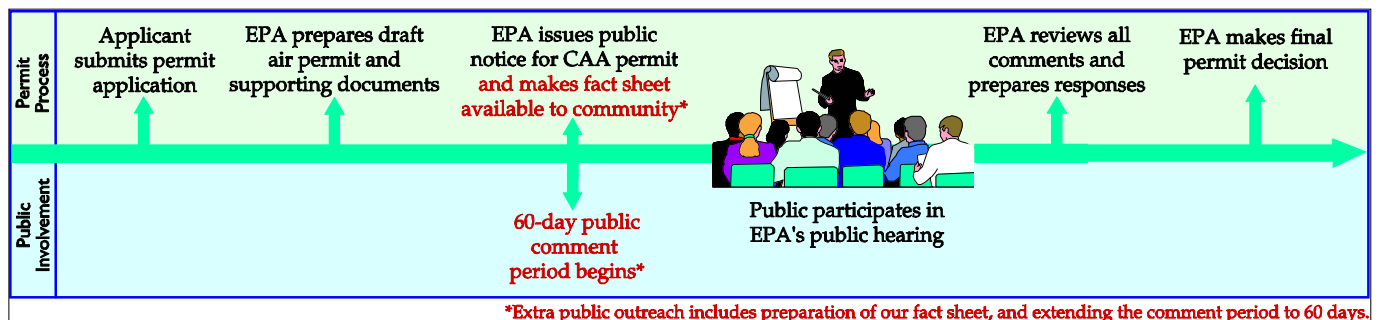
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Figure 2: Air permitting process for Cabrillo Port



Public Viewing Locations

Supporting materials for the proposed permit are available online at the Web site above and at the following locations:

- US EPA Region 9
75 Hawthorne St.
San Francisco, CA 94105
- Ventura County APCD
669 County Square Drive, 2nd Floor
Ventura, CA 93003-5417
- California Air Resources Board
1001 I St.
P.O. Box 2815
Sacramento, CA 95812